

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, SEPTEMBER 14, 2006

Presiding: Mayor Glenn W. Dalling
Meeting Convened at 6:30 p.m.
Prayer: Walter Deitz
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Harold Harris, Walter Deitz, Bruce King and Brad Orme; Scott Lee, City Attorney; and Sharee Palmer, Bruce Bills, Bob Oliphant, and KaraLee Ricks, Planning & Zoning Commission.

The Mayor asked if there were any corrections to the minutes of the regular meeting held August 24, 2006, and the minutes of the special meeting held September 6, 2006. Each councilmember had a copy of said minutes prior to the meeting. It was moved by Councilmember King and seconded by Councilmember Harris to accept the minutes of the regular meeting held August 24, 2006; motion carried. It was moved by Councilmember Deitz and seconded by Councilmember Harris to accept the minutes of the special meeting held September 6, 2006; motion carried.

Marcie presented the August reconciliation reports for the General Fund. It was moved by Councilmember Deitz and seconded by Councilmember King to accept the August reconciliation reports for the General fund; motion carried. Marcie presented the August reconciliation reports for the Utility Fund. It was moved by Councilmember Deitz and seconded by Councilmember Orme to accept the August reconciliation reports for the Utility Fund; motion carried.

Marcie presented the current bills in the amount of \$62,034.97, plus a bill of \$765.65 from Bell Builders. It was moved by Councilmember Deitz and seconded by Councilmember King to pay the current bills, together with all regular September bills that have not yet been received, including the \$765.65 to Bell Builders; motion carried.

ORDINANCE NO. 265:

Council member King introduced Ordinance No. 265 entitled:

“AN ORDINANCE ENTITLED THE ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF SUGAR CITY, IDAHO, FOR THE FISCAL YEAR OCTOBER 1, 2006, TO SEPTEMBER 30, 2007, AND APPROPRIATING TO THE SEVERAL DEPARTMENTS, OFFICES AND FUNDS OF THE SAID CITY GOVERNMENT FROM THE REVENUE DERIVED FROM TAXES LEVIED FOR SAID FISCAL YEAR, AND ALL OTHER SOURCES, SUCH SUMS AS MAY BE NECESSARY OR DEEMED NECESSARY BY THE MAYOR AND CITY COUNCIL TO DEFRAY THE EXPENSES AND LIABILITIES OF SAID CITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007.”

It was moved by Councilmember King and seconded by Councilmember Deitz to waive the reading on three different days and in full and place it upon its final passage. Thereupon the Clerk called roll upon said motion.

Those voting aye: Council members Harris, Deitz, King and Orme
Those voting nay: none

Thereupon, the Mayor declared the motion, having been passed by not less than two-thirds of the Council, had been duly carried. It was moved by Councilmember Orme and seconded by Councilmember Harris to adopt said ordinance. Thereupon, the Clerk called roll upon said motion.

Those voting aye: Councilmembers Harris, Deitz, King and Orme
Those voting nay: none

Ordinance No. 265 was thereupon declared by the Mayor to have been duly passed by not less than two-thirds of the Council, and the Clerk was instructed to publish said Ordinance No. 265 in summary or full immediately in at least one issue of the Standard Journal, a newspaper published in the City of Rexburg, Madison County, Idaho.

RESOLUTION 2006-3: Councilmember Deitz read Resolution 2006-3 pertaining to changes in the sewer rates. **MOTION:** It was moved by Councilmember Orme and seconded by Councilmember Deitz to adopt Resolution 2006-3; motion carried. A copy of said resolution is attached hereto marked "Attachment 1."

RESOLUTION 2006-4: Councilmember Orme read Resolution 2006-4 pertaining to changes in the garbage collection rates. **MOTION:** It was moved by Councilmember Harris and seconded by Councilmember King to adopt Resolution 2006-4; motion carried. A copy of said resolution is attached hereto marked "Attachment 2."

RESOLUTION 2006-5: Councilmember Orme read Resolution 2006-5 as follows: "BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2006, Roberts Rules of Order are hereby suspended for all meetings of Sugar City unless said rules are specifically invoked by majority vote for a particular meeting." Attorney Lee explained that the AIC has been suggesting for years that we do that because if we make a procedural mistake, it could be a basis for overturning something. If we decide that we want to use them, then in that particular meeting we can vote on it in order to invoke it for that meeting. **MOTION:** It was moved by Councilmember Harris and seconded by Councilmember Orme to adopt Resolution 2006-5; motion carried. A copy of said resolution is attached hereto marked "Attachment 3."

The Mayor reported he had received a call from Thayne Siddoway. He said Councilmember Deitz has tried several times to get us to talk about the inequities that may be present at Sweet Haven Apartments. He asked Walter if we could put that on the agenda for the next meeting. Marcie reported they haven't paid the garbage portion of their bill for many months.

CITIZEN INPUT: There was no citizen input.

PLANNING & ZONING REPORT: Sharee Palmer addressed the Council.

Whaley Consulting Services, Inc. – Home Occupation: Sharee reported P&Z determined Mr. Whaley was a home occupation and did not need a business license. P&Z is working on a form for home business/home occupation licenses.

Home Business/Home Occupation: P&Z is planning to set October 19 for public hearing. Sharee wondered if they should put it off until November 2nd instead so Attorney Lee could be present. He only comes to their meetings on the first Thursdays of each month. Sharee will check with P&Z about having the public hearing on November 2nd.

PLANNING & ZONING EXECUTIVE SESSION: Attorney Lee recommended this discussion be done in executive session.

7:15 p.m. It was moved by Councilmember King and seconded by Councilmember Harris, pursuant to Title 67-2345(b) and (f), that we move into executive session to discuss personnel and litigation matters. The Mayor called for a roll call vote:

Those voting aye: Councilmember King

Those voting nay: Councilmembers Harris, Deitz, and Orme

Thereupon, the Mayor declared the motion failed, and we would not go into executive session.

The Mayor explained the ground rules as follows: We will allow any person that wants to talk from three to five minutes. No interruptions regardless of what anyone says, and no exchange back and forth without recognition from the chair. He reported shock and disappointment at the letter Sharee sent to us, feeling that much of what is in there is incorrect and that it was written without knowing all the things that had taken place. Part of the problem we have had with this annexation is some of the behind-the-back conversations that have been taking place, which cause us grief in order to negotiate anything. He asked Councilmember Harris to read a letter that Todd Harris sent to us. Then he said Sharee could have the first go at it.

Councilmember Harris: Harold read a letter from Todd Harris dated March 30, 2006. "Dear Mayor Dalling and the City Council. I do like Jan and Garry very much, but I do feel as though I have been baited and set up a little bit. I have every confidence in the Mayor and the Council to work with the Harrises, Balls, Browns and Gillespies (his words, instead of Jeppesen) to ensure this annexation is worked out fair and amicably. From this point on I want to communicate with the powers that be. I was under the assumption that Jan and Garry were working under the direct authority of the Mayor and City Council. I have had literally more than 100 email conversations with the two of them regarding our dilemma. They have helped to a certain degree mold my opinion, passion and resolve in forcing the issue to annex into Sugar City. What I didn't realize was that the executive powers may have a difference of opinion. Because of that, I feel it is important to keep you informed what is being sent to me from here on out. Rather than embarrass myself with a misinformed letter to you, I plan to let you know what is being said to me so you can inform me of the facts regarding how Sugar City is proceeding. I am not considering myself to be a spy for you. I just want to make sure I don't say anything from here on out that would cause you concern or alienation. In short, I will keep my mouth shut until the Council requests I step in and say something from here on out. Enclosed is additional information that has been sent to me and I intend not to respond to it until Mayor Dalling or a member of the City Council contacts me with their opinion. I thank you in advance for your attention to this matter."

The Mayor asked Harold to read the second page. Harold said this is a letter from Garry

Jeppesen to Todd Harris and Ken Brown: "If you were both invited to sit down with both cities and settle the annexation problem before it goes to the judge, what would you want to see resolved? I was not invited to the meeting with the mayors today, but I think this is coming real soon and you will be asked what you would settle for. We don't want to drive the two cities together against the property owners and let them make all the decisions. Some of the areas I have thought of are full access to sewer, land use change from ag and industrial to commercial on the comp plan map, land rezoned to commercial on the zoning map. All of these would allow you to develop the property as commercial without having things blocked by Rexburg. The land would remain in Sugar's school district. The only other decision would be which city annexes what. At the most, I would recommend the south half of Ken's property or the southwest 20 acres. This would still give you something to bargain with. If they won't be reasonable, then you can move to your other property; or do Todd and Sandra annex to Sugar and Ken just wait to decide, and then we will negotiate, but we run the risk. Decide what it is that you really want. If you can get it now, maybe now is the time to settle everything. Garry."

Sharee Palmer: Sharee said Garry had every right to write that letter to Todd Harris because Garry is one of the property owners. If Todd Harris was under the misconception that Garry was representing the City, that's his problem. If he thought Jan was representing the City, it was because she was. She was given direction by the Mayor to start this whole thing and get it done. If the City had been in contact with him in the first place and had an open dialog going from the get-go, this wouldn't be an issue. You say you have contacted him three or four times. We should have been with all four property owners and the City Council sitting down together in conversations, discussing, and trying to work out what we could work out so when you went into those negotiation meetings you were prepared. I don't know everything that's gone on. All I knows is what I hear. I haven't been involved with it at all. I did talk to Todd a couple of weeks ago for about 45 minutes, and you're reading a letter from March. That doesn't tell me anything about where you sit with Todd right now. I am a little disappointed with the way things have gone; and after hearing that you're thinking of dropping the lawsuit, I don't feel you are doing justice to the property owners or to Sugar City. If my letter upset you, maybe that was the intention to maybe wake you up.

The reason Garry is not here tonight is because he didn't feel like it would be very productive to be here because he knows the issues and feelings you guys have against him with the property issue over here and the fact that you can't separate the issues with him over there and him as a property owner over here. You probably think he's being a stinker and instigating problems with this annexation over here. You don't know Garry Jeppesen very well then, because that is not the case and I'm very offended if that is the way you guys think that that is how he would act. There are two separate issues and if you guys can't separate them that's all I am going to say.

The Mayor asked if any other P&Z members wanted to comment.

Bruce Bills: I would just like to step back and say that the intent here was to have an opportunity to develop the north interchange in Sugar City as a very potential commercial area. It started out as an opportunity to block Burns Brothers from sticking a plant in that would cause us problems because we're downwind from that plant. Then the thought of property owners getting together -- we can see an opportunity for tax revenue in school district and big box stores in a place that is readily accessible to both north Jefferson County and all the way up to West

Yellowstone. We thought it would be worthy of making an effort for. That was the initial thoughts here as we looked at the north interchange and we're doing thought processes to plan out in that direction.

Bob Oliphant: I agree with what Bruce said. I'm kind of an on-looker as I don't get that much involved. I'm on Sharee's side. Here's someone who works with you, and she comes back to our meetings thoroughly frustrated, not understanding what's going on. That's the way I see it, not good public relations. I have always had faith that you'd do the right things. I'll just wait until the end. When I see her frustration over and over again, then you begin to wonder. I don't understand why something hasn't been done with all of these two years of work that we have spent hours and hours on trying to come up with something that would get the City some money. We could have a whole big beautiful development that could have some commercial development. I don't understand why we haven't formed a development committee that could take the burden off the shoulder of the city fathers, and go out and do some research and say, let's sell Sugar City. Maybe you understand better than we do that there is nobody in Sugar City that wants to have any development. They just want to stay a bedroom city. Sometimes I'm perfectly comfortable staying that way; but as a person that was asked to be on the Planning & Zoning Committee, I feel I have to take the sides of the people that I represent.

KaraLee Ricks: We have been a bedroom community for a long time and have been very satisfied with that. But I think we need to be aware that in the long run if we stay as we have been without the growth that we should anticipate, we will be swallowed up. If we choose to be a viable city in the future, as Sugar City, then I think we have got to be progressive and aggressive about the things that we want. I don't know that you aren't. Let me step back and show it to you from my perspective. My perspective is that you are non-aggressive, that you would rather let it just kind of go away because it is difficult. I am not saying that is how you feel; but what I'm saying is if that is not how you feel, that is not coming over clearly to anyone else. If that isn't how you feel, then what I would urge you to do is to make a better effort at communicating what it is you want to do and how you feel. If you don't want to be progressive, I'm not saying that you're not, but what I'm saying to you is that that is short-sighted. I would love Sugar City to stay the way it is, but it is not going to. It we're not going to develop it, somebody else is. Do we want that to be Rexburg? My personal feeling is no, I don't want it to be Rexburg. I want it to be us. If it's going to develop, regardless of our feelings of wanting to stay small, then we need to be the ones who are aggressive and active in procuring those businesses and enterprises that will give us the things we need to stay viable as a city. I've grown up here and love this place. I love what it has done for my children. I love being here. I don't want to see us wither away because we're not active and aggressive enough getting those things that will help keep us what we are. I know there is change and I resist it just like everybody else does.

With regard to this annexation and interchange, I'm not sure I understand how you feel. But what you come over to me as, and I'm speaking personally, is I just wish it would go away. I don't think that's healthy for us either. I'm not saying, maybe you don't feel that way. All I'm saying is we don't know; and I think you need to step up and let us know so that we can either disagree with you and let that be out in the open or support you. I'm just afraid there is so much ranker between certain entities within the city that things are being damaged underneath. I'm not going to point out specifics, but I feel like those kinds of things are not helping us to be progressive. That's what I'm asking the City Council to do. Let's be progressive. Nobody here

would prefer things to stay the same more than me, but it is not going to happen. If it isn't going to happen, then let's jump on it and go for it. I'm not saying you're not feeling that way. All I'm saying is if you are feeling that way, I'm not feeling it.

One of the specific things that became apparent to me through Sharee was the economic development committee that you didn't want to have because we only have two businesses in town. I don't know your feelings about that, but that's what you expressed. It may not be what you were really thinking at the time. I don't know how to judge that because I don't go to every meeting, but we can't survive on just two businesses in town. If we can't survive on just two businesses in town, we had better be actively seeking other people to come in here.

Update on Lawsuit: The Mayor asked Attorney Lee to give an update on the lawsuit. Attorney Lee said Judge Moss has just set a show-cause hearing for next Monday at 10 a.m. He wants to see what's going on in the cases. He has actually consolidated – he's brought the other case in with the landowners and has sent notice to Kent Higgins to be here, too. Attorney Lee doesn't know why he did that because that case has been resolved. It came as a result of Steve Zollinger's letter to the judge. Essentially it says, "Judge, apparently even though it has been approved by city council and has been reported in the newspaper, Sugar City still hasn't dismissed their lawsuit in conjunction with us dismissing Rexburg's. Therefore, would you set up a status conference so we can discuss this." Rexburg is still willing to dismiss like has been discussed, and let the politicians resolve the issue. Attorney Lee feels we should go into executive session to talk about strategies and legal issues and concepts.

EXECUTIVE SESSION:

7:40 p.m. It was moved by Councilmember King and seconded by Councilmember Deitz, pursuant to Title 67-2345(f), that we move into executive session to discuss litigation matters. The Mayor called for a roll call vote:

Those voting aye: Councilmembers Harris, Deitz, King and Orme

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

7:45 p.m. The executive session ended and the regular Council meeting reconvened.

The Mayor asked the Council for comments.

Councilmember Bruce King: I appreciate all the good work the Planning & Zoning Commissioners do, and their interest. I feel like they really have some good input, good perspective and good know-how and I really appreciate their interest and wanting to further the best interests of the City.

Councilmember Harold Harris: I want to address this directly to Sharee. We have asked Todd to send his documentation. He has to request annexation into Sugar City. We have asked him twice to send them to us. We want you to know we feel we have done everything we can. Then to explain some of your positions here: I have been informed that Mr. Harris' de-annexation from Rexburg resulted in the City Council being told the property was not in Sugar City, that it was in the County; and you state that I have talked to Mr. Harris and he does not agree with that and still considers himself in the City. If that's the case, I wondered why we should try to promote him into the City. Mr. Harris has had discussions with Ken Brown, who said he is happy where he is. If we won the lawsuit and he was annexed into Sugar City, he would turn around and ask for de-

annexation, just as Todd Harris did. I'm not sure you're aware of all that. But what you are stating in here are not true facts. I am trying to bring you up to date on what are true facts.

Mr. Harris directed some questions to Sharee about how she knew Rexburg's annexation was illegal. The Mayor said there were to be no questions asked.

Mr. Harris said when the impact area was established in 1995 that no one on P&Z or City Council felt it was important to press for our impact area to be continued further west on Moody Highway to what is now Highway 20. Nobody seemed to think it was important back then, now we're struggling with our life.

You point out that we haven't done anything with DEQ. We have contacted DEQ and they felt like they could legally not force Rexburg to allow us into their sewer line. They don't even want to touch this. They feel like there has got to be some negotiation. We are trying to force that issue with DEQ, but they also says that they can't stop us from buying additional capacity in this regional sewer system, that Rexburg cannot stunt growth by refusing to allow us in there. He doubted they could legally force us into that sewer line that's so important.

There are a lot of negotiations going on with Todd Harris about the possibility of still splitting his property and he has considered that aspect for the best of the City. He said Rexburg wants 40 acres, then he came back and said why don't we talk to them about 20 acres, maybe that will console them. This would still allow the sewer facility to be attached to Rexburg's sewer. Then he came back and said we're not going to allow them anything. He also said if they have been de-annexed from Rexburg, that he sees no advantage in us continuing the lawsuit. Those are his words, not mine, so we don't know where to go with this. We've got this pressure from you people who say we are not doing anything. We are doing everything we can.

I am still in favor of the lawsuit continuing, but at this point the end results are going to be a most devastating situation if we win and Rexburg is still going to refuse to let us hook into that sewer system. That's the thing we're still trying to save for the benefit of the City because that's the natural way for all our sewer facilities to go. I don't understand, and I'm really disappointed in this document. Apparently you don't know what has been going on, and since you do not, you condemn the City Council for being inactive; and I don't think that's the way it ought to be.

But I'd like to make one statement and this is true. Everybody has an answer to the problem except the people with the problem. That's all I'd like to say.

Councilmember Brad Orme: I agree in part with what Bruce said on the communication. We probably do need to have better communication. I'm not offended by this because I felt when I decided to be on City Council, you need to be able to handle any criticism that comes before you and see what applies and what doesn't apply – try to change what does apply, and don't worry about the rest of it. I would like to say, Sharee, I do think you have quite a few facts a little bit erroneous here. I'm not going to rehash what has been said, but I'm going to talk about the development part because that's my area and that's an area that I'm the most interested in. As a business owner in this town, I want economic development here. Your comment here, "Your vision is narrowed to the two commercial lots on Center Street as so stated by one of you at a City Council meeting when discussing the economic development committee. . ." Hopefully, our vision is not limited to two lots on Center Street, even though that pretty much is all we have right now. Go talk to Clair Boyle and he can't do anything with maybe's and possibilities. He can do stuff with what we have now. The Mayor and I have had meetings with Clair Boyle on the side trying to get a business to come in. I know there's not two commercial lots on Center Street, but there isn't much. I do realize that we have something.

We do have an economic development committee. It's called Madison Economic

Partners, which the City is a part of. The Mayor and I go to these meetings every month and the City of Sugar City pays money to MEP (formerly MEDCO) every year. In our last month's meeting I recommended we up our contribution to that organization solely so they could help promote Sugar City and hopefully bring some more businesses in. Clair Boyle has been helping the Mayor and I. We've talked to him on several occasions trying to get a bank into town. He has some companies that he's specifically talked to about the old sugar beet factory because it's the size they want. So I know we've got more than just the two commercial lots on Center Street, so I think our vision is a little bit broader than that. We do want economic growth for this City. Hopefully we can be a little better in our communication to these guys. That's it for me.

Councilmember Walter Deitz: Sharee, I am not offended. I see some inaccuracies, but I see some points that we can improve on. We can all improve in what we do. As far as the disagreements with Garry, those have been pretty deep. Some of it is our fault and some of it is his fault, and some of it is neither one of our fault – just some things that happened. Despite what most everybody thinks, we have diligently strived to rectify those problems. I hold no animosity towards you or any member of the Planning & Zoning. I have one comment for Planning & Zoning. It's a big, huge job. It's never going to be easier. It's just going to get more difficult. It is a thankless job. Nobody cares what you do on Planning & Zoning until you do something they don't like, and then they really care.

I've heard it expressed by certain members of Planning & Zoning over the years that they work very hard with the zoning and the planning and I agree with that and support that. But the same comment has also been made by the same people that we have worked so hard for this, you should just accept this and not try to change it or question it. There are a few things where somebody sitting on the Council or the Mayor or the staff that we have might know something that would change that proposal or that planning or that zoning. I'll be the first to admit that a number of these things that we've been working on for the last couple of years have taken way too long, but I think we're always trying to do what's right.

I have been most vocal in dropping this annexation lawsuit. I don't see how we can win it. We've always stressed the rights of the property owners, that has been said countless times by the property owners – support us in our rights. We have done that, I think, pretty well. There are some things we could do better, but at the same time we have spent over \$10,000 in this annexation and that money comes from us, the taxpayers. That's a lot of money. In the beginning it was told to us that all four property owners were stuck together like glue and they wanted to go through with this. Then as things unfolded, it didn't stay together that well. I'm not accusing anybody of doing something different or causing problems. Ken Brown says he wants to be in Rexburg, great. I support him in that. Stoddards say they want to be in Rexburg. I support those. Todd Harris, Garry Jeppesen and Sandra Ball say they want to be in Sugar. I've supported that, but I don't see where this lawsuit is going to get us to that point any better, any faster than without it. If they want to be in our town, I am most willing to work towards getting them annexed.

As far as the sewer issue goes, I've said for a very long time I think it is of no importance. We've had some strong disagreements on this Council about how important that sewer line is. I don't think that it is. I have always said that Rexburg can't stop us from growing and it can't. They forced some annexation out there, but we can also do that. Are we going to get Ken Brown? I don't think so. Does Todd Harris want to come in? At one point he was as rock solid as anybody I've ever seen wanting to come into Sugar. The last few months he is not quite so solid. I have seen him stand right there and says he has turned down hundreds of thousands of

dollars per acre and that there would be all the money in the world that we would need to put in a sewer lift station and pump it into our main line and take it to Rexburg across there. Now, apparently that is not quite true.

It is most difficult being on Planning & Zoning. I have been to a few of those meetings over the years, but it is more difficult being on this side. I support the Planning & Zoning. I don't always agree with them and they don't always agree with me. I don't think we always have to agree on everything as long as we are generally moving in the right direction. I care about this town and I know that you do. It shows by your attitude.

Mayor Dalling: I'm going to try to do the best job I can of presenting this thing line-by-line and see if we can bring it all into perspective. I would welcome help if I miss a step.

According to our record in the minutes on January 26, 2006, three of the property owners signed the annexation agreement. Mr. Brown was slow, but did sign it. On 2-9-06 Attorney Lee reported after a meeting in Boise that it was not too late to compromise with Rexburg if that was possible. I first tried to compromise with Rexburg back in December before they ever annexed what they annexed, hoping that they would wait and talk things over. They agreed to put a moratorium on it until December 22. By the time the mayor got back from California visiting his family, there was no interest in doing anything so they went ahead and annexed the whole thing. You need to know from the very beginning that because that's in their impact area, they were solid about having that corridor to Rexburg. There was never even a bat of an eye that they would give that up peacefully at all. He showed a map with Rexburg's first compromise on it. That was turned down by us based on the fact that we felt if we were to do it that way, it had to go further down and give us a bigger chunk of ground. Originally, I had talked to them briefly about maybe we could extend 3rd South. That turned out to be an impossibility.

On March 23rd we had our first meeting with Rexburg. I need to preface that by saying that President Clark from BYU-Idaho called both sets of City Councilmen and had a meeting with them separate and suggested there was considerable pressure from our leaders down south that they would like to see this court case resolved and not have to go to court – at least have it completed by the time of the temple dedication, which may or may not be a factor for some of you. But we were asked to do something about it. At that time Richard Smith was selected to be a mediator. So this meeting – we went in there wondering what was going to happen. It didn't go very well for a while. Richard Smith took a lead in it, saying the first thing that to be resolved was the sewer. I think now it has become a bigger issue than some of you think it has because that's what is holding Todd Harris up. It has always been a concern if we had to put in a pumping station. Now, with Rexburg's annexation, and if it is proved legal, they have taken that corridor to Sugar City which aggravates me. We came up with this solution finally, that this might be a possibility. He passed out another map. I've always thought a lot of this stuff was not supposed to be publicized. Councilmember King said his feeling is that it would be good to go into executive session to share this because it is not supposed to be public knowledge. Attorney Lee said to go into executive session.

EXECUTIVE SESSION:

8:15 p.m. It was moved by Councilmember King and seconded by Councilmember Orme, pursuant to Title 67-2345(f), that we move into executive session to discuss litigation matters. The Mayor called for a roll call vote:

Those voting aye: Councilmembers Harris, Deitz, King and Orme

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

8:40 p.m. The executive session ended and the regular Council meeting reconvened.

The Mayor asked Sharon Bell to read the motion made on August 10. "It was moved by Councilmember Deitz and seconded by Councilmember Orme that we drop our annexation petition against Rexburg following a conference call with the Mayor and Todd Harris, in conjunction with Rexburg dropping their annexation petition at the same time." Then there was a roll call vote, and all four councilmembers voted aye. Thereupon, the Mayor declared the motion passed.

The Mayor asked for an interpretation on that and was concerned if he was out of line by not following through. Councilmember Deitz said it was his understanding that after the conversation with Todd Harris, if he were against dropping the lawsuit, we wouldn't do it. Further discussion was had. The council tried to call him that night but he didn't answer. The next morning the Mayor talked to him and told him why we wanted to drop it. Mr. Harris called back after the Mayor left. Council President Harold Harris was in here and took the call from Todd Harris and his attorney, Kent Higgins. Councilmember Deitz requested this should be discussed in executive session. Attorney Lee agreed. The Mayor entertained a motion to go into executive session to receive a report on Harold Harris' conversation with Todd Harris and Kent Higgins.

EXECUTIVE SESSION:

8:55 p.m. It was moved by Councilmember King and seconded by Councilmember Deitz, pursuant to Title 67-2345(f), that we move into executive session to discuss litigation matters.

The Mayor called for a roll call vote:

Those voting aye: Councilmembers Harris, Deitz, King and Orme

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

9:45 p.m. The executive session ended and the regular Council meeting reconvened.

MOTION TO AMEND MOTION ON AUGUST 10, 2006 TO DROP

ANNEXATION PETITION SUIT: Motion by Councilmember King: In order to clarify the intent of our final motion at our regular meeting on August 10, 2006, I move that we amend the language of this motion by adding the words "if Mr. Harris endorses the dismissal" after his name, so the motion would read: "It was moved by Councilmember Deitz and seconded by Councilmember Orme that we drop our annexation petition against Rexburg following a conference call with the Mayor and Todd Harris, if Mr. Harris endorses the dismissal and Rexburg drops their annexation petition at the same time." Councilmember Deitz seconded.

Councilmember King stated the reason he is making this motion is the way the language reads now, there might be some question about our intent; but as three of the Councilmembers have stated tonight in our discussion, they understood that the intent was to get Mr. Harris' support of us dismissing the lawsuit. We wanted to be sure the motion stated that clearly. The Mayor called for a roll call vote.

Those voting aye: Councilmembers Harris, Deitz, King and Orme

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

EMERGENCY PREPAREDNESS: The Mayor explained Bruce Arnell couldn't be present

tonight. He reported Mr. Arnell had accepted the assignment for our City to meet with the Madison County emergency preparedness (LEPC). Brent Rigby, who was in charge of that, resigned to take another job; and they appointed Ronnie Moss temporarily to do that. Bruce is meeting with them on behalf of Sugar City. They are going to have a mock problem in November so that will need to come up in one of our next meetings and we will see what our responsibilities are.

WEST ENTRANCE PROJECT: The Mayor said we asked Bob Worrell to give a presentation. He has been an advocate of preserving the grain silo and making it a historical thing. The Mayor led a discussion on the report presented by Mr. Worrell. "The City of Sugar City wants to beautify the west entrance of the City. The area is most visible from the freeway and off ramp. The City wants to create some unique, highly visible landmark that will invite people to stop and that would portray the unique character of the town. The City needs some means of directing people who arrive in town to the proper places. The City would like to preserve and display some of the significant historical sites and events that have made Sugar City what it is. Sugar City would like to be known for what it has that no other city has. The west entrance to the City is now very plain, one may even say homely. The old grain elevator standing by the tracks is weather-scarred, discolored and marred by broken windows. It is really ugly. The landscaping that greets the visitor coming off the freeway is ugly, too. The City needs a way to replace the features with beautiful features." He read further:

"Solution 1: To provide unique, historical monument the City needs a large prominent structure that is soluble and durable to display its visual welcome. The monument ought to be capable of showing off the history of the City in a unique way. The monument should be visible from a distance and attractive up close. It would be an advantage if the monument had historical value itself. The landscape's west entrance needs to be designed to fit with the monument and to lead the eye in an aesthetic way to the historical features. The area should be a place of beauty that will invite visitors to stop and investigate. The area should provide a place for relaxation, recreation and information.

"Solution 2: The old grain elevator has historical value since it is one of the oldest buildings in Sugar City and is now the most prominent landmark. While the community was not founded by the production of grain, the original function does not need to be displayed. The elevator is a prominent structure, solidly built and visible from great distance. It would cost hundreds of thousands of dollars to replace it with a monument as large and sturdy. The elevator has a lot of unbroken surface that could be used to display the unique features the City wishes to make visible. If the elevator were cleaned up and painted, if the windows were replaced and if the landscaping adjoining it were designed appropriately, it could become a beautiful and useful feature that would last another couple of centuries."

Discussion was had. It was the consensus of the Council to move forward and work up additional plans. The Mayor will encourage Mr. Worrell to get going and get more costs.

Meeting adjourned at 10:00 p.m.

Signed: Glenn W. Dalling
Glenn W. Dalling, Mayor

Attested: Sharon L. Bell
Sharon L. Bell, Clerk

RESOLUTION 2006-3

BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2006, the following changes in the sewer and water rates in the applicable ordinances are made:

A: SEWER

1. The base rate for sewer will be \$16.38.
2. Usage rate of \$1.71 per one thousand gallons of sewage.

B: WATER

Water rates will be as follows:

1. 3/4" meter, base rate \$13.24 per month
2. 1" meter base rate 23.57 per month
3. 1½" meter base rate 52.97 per month
4. 2" meter base rate 94.15 per month
5. 3" meter base rate 211.86 per month
6. Usage rate: 62¢ per one thousand gallons of water.

Unanimously adopted and approved this by the Mayor and City Council this 14th day of September, 2006.

CITY OF SUGAR CITY

By: Glenn W. Dalling
Glenn W. Dalling, Mayor

ATTEST:

Sharon L. Bell
Sharon L. Bell, City Clerk

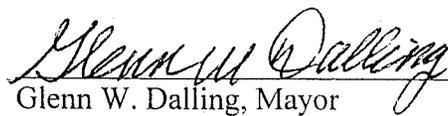
RESOLUTION 2006-4

BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2006, the garbage collection rates for Sugar City residences and businesses shall be:

A: GARBAGE	<u>PER MONTH</u>
1. Residential	\$11.03
2. 2 nd Residential	7.99
Clean up fee for Residential	1.60
3. Business 300 gallon container	28.22
4. Residential 300 gallon container	29.90
3 Yard	56.45
6 Yard	104.49
8 Yard	135.47

Unanimously adopted and approved this by the Mayor and City Council this 14th day of September, 2006.

CITY OF SUGAR CITY



 Glenn W. Dalling, Mayor

ATTEST:



 Sharon L. Bell, City Clerk

RESOLUTION 2006-5

BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2006, Roberts Rules of Order are hereby suspended for all meetings of Sugar City unless said rules are specifically invoked by majority vote for a particular meeting.

Unanimously adopted and approved by the Mayor and City Council this 14th day of September, 2006.

CITY OF SUGAR CITY

By: Glenn W. Dalling
Glenn W. Dalling, Mayor

ATTEST:

Sharon L. Bell
Sharon L. Bell, City Clerk